



SOUTHERN CALIFORNIA  
**EDISON**

An EDISON INTERNATIONAL Company

November 30, 2004

California Energy Commission  
Docket Office

**Re: Docket Nos. 04-DIST-GEN-1 and 04-IEP-01**

**Docket Unit, MS-4**

1516 Ninth Street

Sacramento, CA 95814-5504

Re: Southern California Edison Company's Comments Related to the  
Rule 21 Working Group Recommended Changes to Interconnection Rules Report

Dear Commission:

Southern California Edison Company (SCE) respectfully submits the following comments related to the Rule 21 Working Group Recommended Changes to Interconnection Rules Report (Report). SCE appreciates the efforts of the California Energy Commission (Commission) and the Rule 21 Working Group members in development of this Report. SCE believes the majority of its positions and comments are incorporated in the Report, however, a few comments in the various sections are warranted.

### **Metering Issues**

SCE believes Net Generation Output Metering (NGOM) is compulsory for Distributed Generation (DG) interconnecting to the utility grid, for administration of California Public Utilities Commission (CPUC) – approved tariffs, and for system operation and planning. The specific requirements for NGOM are detailed in the Report and should be required at a minimum for any DG installation receiving a subsidy funded by utility ratepayers, either in the form of a tariff exemption or an incentive payment (Self-Generation Incentive Program or CEC Emerging Renewable Program). Furthermore, if additional subsidies are warranted based on the outcome of Rulemaking (R.) 04-03-017, these circumstances should also require NGOM to ensure that non-participating ratepayers receive the benefit.

Regarding meter ownership and costs, SCE believes existing standards for third party metering contained in Rule 22 (Direct Access Standards for Metering and Meter Data) are sufficient for integrating data from DG into utility systems for tariff administration. The costs associated with the installation should be borne by the DG customers. SCE suggests that it would be prudent for DG developers and manufacturers to design systems with utility needs in mind when developing its systems to ensure their customers do not pay twice for metering.

SCE rejects the contention of some DG interests that FERC rulings related to “net generation metering” requirements for Qualifying Facilities (QFs) are controlling. These rulings are not relevant to CPUC-jurisdictional retail tariffs as FERC has no jurisdiction over Rule 21 interconnections and retail operations. Furthermore, SCE believes QF-related issues are outside of the scope of R.04-03-017 and the CEC's Rule 21-related efforts.

The Report correctly summarizes that there are many issues that could affect metering outside of the recommendations contained in the Report, namely the Cost-Benefit Analysis to be conducted as part of R.04-03-017, the CPUC's Advanced Metering Infrastructure proceeding (R.02-06-001), and Phase 2 of

the CPUC's Resource Adequacy track of R.04-04-003. SCE agrees that the metering requirements adopted by the CEC must be flexible enough to accommodate today's requirements as well as future requirements resulting from other proceedings that are not yet complete.

### **Dispute Resolution Process**

SCE reiterates its position that the existing Dispute Resolution process is sufficient for dealing with all types of utility disputes, including Rule 21 issues.

### **Interconnection Initial and Supplemental Review Fees**

SCE believes that the existing fee structure should be evaluated as part of the Cost-Benefit work that the CPUC will be addressing in R.04-03-017.

### **Net Metering for Systems for "Combined" Technologies**

SCE believes that the Rule 21 Working Group has served a helpful function in examining this type of generator interconnection in much greater detail than has been heretofore accomplished. The technical and non-technical issues identified in the Report offer useful insights and a "jumping off" point for further work by policy-makers. However, SCE believes that the key driver for future efforts to facilitate interconnection of more complex Net Metering systems should not be what can technically be implemented with appropriate metering and generator controls, but rather thoughtfully formulated policy on the extent to which Net Metering should be encouraged, in the context of other available interconnection and contractual approaches to encourage development of renewable generation.

### **Interconnection Rules for Network Systems**

SCE agrees with the recommendations contained in the Report regarding Network Systems.

### **Conclusion**

SCE looks forward to resolution of the issues contained in the Report and for the ultimate resolution of these issues in R.04-03-017.

Please do not hesitate to contact me at (916) 441-2369 if you have any questions about this matter.

Sincerely,

Manuel Alvarez

cc: William J. Keese, Chairman  
James D. Boyd, Commissioner  
John L. Geesman, Commissioner  
Jackalyne Pfannenstiel, Commissioner  
Arthur H. Rosenfeld, Commissioner  
Darcie Houck, Adviser  
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